

<p>BEACON HR/PAYROLL IMPLEMENTATION PROJECT PROJECT CHARTER</p>
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1. INTRODUCTION

The State of North Carolina has embarked on the process of converting its aging infrastructure to SAP. The recent SBIP project was the latest in a series of studies cataloging the risks inherent in North Carolina's aging infrastructure:

- Lack of timely, accurate information for decision-makers
- Increasing cost of maintenance and support
- Lack of resources with skills to maintain obsolete technologies
- Proliferation of independent, "shadow" systems in agencies
- Inconsistent processes and standards
- Inability to share information among related systems and organizations.

To provide the technology infrastructure to support all state functions, the State of North Carolina is embarking on a new project-Project Beacon. The project will utilize best practices to enable the state to secure the best processes for the State of North Carolina. Effective change management is key to the project's overall success and will be integrated in every phase of the project to ensure a smooth transition to the new technology and processes.

The Beacon Project is sponsored by the Governor and it is a goal of the project to remedy all or most of the identified risks. The Beacon Project will have several initiatives. They include:

- Budget and Financials
- Human Resources and Payroll
- Tax and Revenue.

The first initiative will be the Human Resources/Payroll project. This Project Charter is for this initiative.

2. HR/PR PROJECT VISION

The State of North Carolina's vision for Human Resources and Payroll for Project Beacon is to establish a strategic business partnership supporting the human resources and payroll needs of State government, enabled by utilizing leading business practices and current technology.

3. MISSION STATEMENT

The Beacon Project's mission is to establish one integrated system for the State of North Carolina that will eliminate the non-integrated "silos" and establish a system that will exchange information between internal and external organizations that will meet the requirements of managers, citizens, employees, vendors and other customers.

The Guiding Principles to accomplish the Project's mission are:

- Create a seamless HR/Payroll experience for employees

- Provide an environment for employees to make informed decisions about their careers and employment benefits
- Streamline business processes to drive efficiency
- Increase productivity and make the State of North Carolina more competitive
- Develop a single repository, with a common set of data elements, to successfully support the State's reporting and management activities
- Move transactions closer to the point of origin (Employee Self Service/Manager Self Service)
- Provide a flexible system able to respond to changing HR/Payroll needs
- Eliminate redundant systems and duplicative processing
- Provide real time access to transaction activity.

4. PROJECT SCOPE

The following describes the overall Project scope of the Beacon Project-HR/Payroll:

- Conduct a complete business requirements analysis identifying the current business processes for human resources and payroll, budget, financials and tax and revenues
- Identify future business needs as part of the overall business requirements gathering. The requirements will focus on the most critical business and functional processes central to the management of personnel resources, budgets, financials and tax and revenues within state government
- Gather information following core business systems to be defined per project
- Business processes to be included in the business requirements assessments should include business processes central to the following functions across the Office of State Personnel (OSP), the Office of the State Controller (OSC), and the Department of Transportation (DOT Payroll), but not limited to these entities. Processes to be included are:

Business Processes	Business Processes
Payroll Administration	Payroll Processing
Labor Distribution	Employee Self Service
Personnel Administration	Workforce Analysis
Budget Support	Compensation Structure Management
Competency Based Performance Management	Benefits Administration (limited)
Training Administration	Organizational Management

- Evaluate agency systems and processes. The agency assessments should detail processes that support Finance, Budget, Cash Management, Tax and Revenue and HR/Payroll functionality or processes that exchange essential data between these systems and the State's central systems. The agencies to be assessed will include, at a minimum:
 - Department of Correction
 - Department of Environment and Natural Resources
 - Department of Health and Human Services
 - Department of State Treasurer – Retirement Systems Division
 - Department of Transportation
 - State Health Plan
 - University of North Carolina System.
- Identify process re-engineering and organizational restructuring opportunities relating to finance, budget, cash management, tax and revenue and human resource and payroll functions
- Document high level system requirements including process, function, data security, and other technical requirements
- Identify change management requirements and develop a strategy for managing change in process, culture, management practices and organizational structures
- Review and make recommendations regarding issues such as system(s), response time(s), system sizing and growth, up grade ability, etc.

5. GOALS AND OBJECTIVES

5.1. Project Goals

Through a statewide collaborative effort, the goal of the HR/Payroll Project is to develop an enterprise-wide Human Resources/Payroll system utilizing leading practices to provide a foundation for effective management, increased efficiency, and the information needed to make timely and appropriate decisions.

5.2. Project Objectives

The State will implement mySAP ERP edition 2005. The project focus is to implement the software in a “vanilla environment” and limit the number of modifications or extensions. The total number of expected mySAP ERP users is 80,000: 8,543 Professional users (super users, functional power users and support), 12,538 Limited Professional users, 80 Developer users, and 58,839 Employee users.

The Beacon HR/PR project objectives are:

- Install the HR and Payroll SAP software and develop associated business processes and reports
- Provide a secure and reliable system that meets current and future user needs

- Implement the system with minimal disruption to on-going business operations
- Ensure focus on organizational change management (readiness, work transformation, and system/process acceptance)
- Develop the business processes around the system's strengths, rather than the system around current business processes
- Provide training for the project team, technical users and end-users
- Enable state staff members to support and maintain the system on an ongoing basis
- Provide strong technical infrastructure for future innovations and scalability
- Provide regular communication to all stakeholders
- Establish statewide standard processes that are based on recognized best business practices.

6. CRITICAL SUCCESS FACTORS

It is important that we pave the road to success. Success doesn't just happen, it is planned. Critical success factors include:

- Build buy in
 - Establish Change Management from Day One
 - Prepare the state of North Carolina to drive the change
 - Create two-way communication forums for dialogue with the end users
 - Assess and acknowledge previous success and missteps to build the platform for dialogue.
 - Ensure there is top management commitment from all regions
 - Leaders will undergo the “change curve” early so they can model the new behaviors
 - Stage events to visibly demonstrate Executive support of the project.
 - Ensure that there is agency involvement.
- Enable your success
 - Establish a dedicated Project Manager
 - Establish a dedicated, full time team
 - Establish an extended team
 - Review any prior project experiences and review lessons learned
 - Establish criteria to ensure these do not recur in the current project

- Provide quality training and support for the project team and end user community
- Establish an acceleration process for decision making
- Re-engineer at a level that the State of North Carolina can absorb
- Provide rigorous project/Project management
- Manage scope, avoid scope creep
 - Unmanaged, it can cause delays and money
- Plan for post go-live support and the ongoing training Projects.
- Develop a statewide picture, Key Performance Indicators that you want to monitor
- Measure your success
 - Set and communicate specific benefit targets to drive ownership and accountability to realize the benefits
 - Communicate and celebrate your successes.
- Ensure...
 - THAT THE TEAM AND THE BUSINESS HAVE FUN CHARTING THEIR NEW FUTURE.

7. PROJECT GOVERNANCE

A well defined project Governance assists in mitigating risk for large ERP implementations. The Beacon Project recognizes this and is implementing a governance structure/Project that will enable its success.



The following clarifies the role/responsibilities of the Project Governance for the HR/Payroll Beacon Project:

Steering Committee:

Filename: C:\Documents and Settings\edward.brotsky\My Documents\PDF Deliverables\1.1 Project Prep\Final\Implementation\1.1.1_PMO_PL_ProgmCharter_r1.2.doc

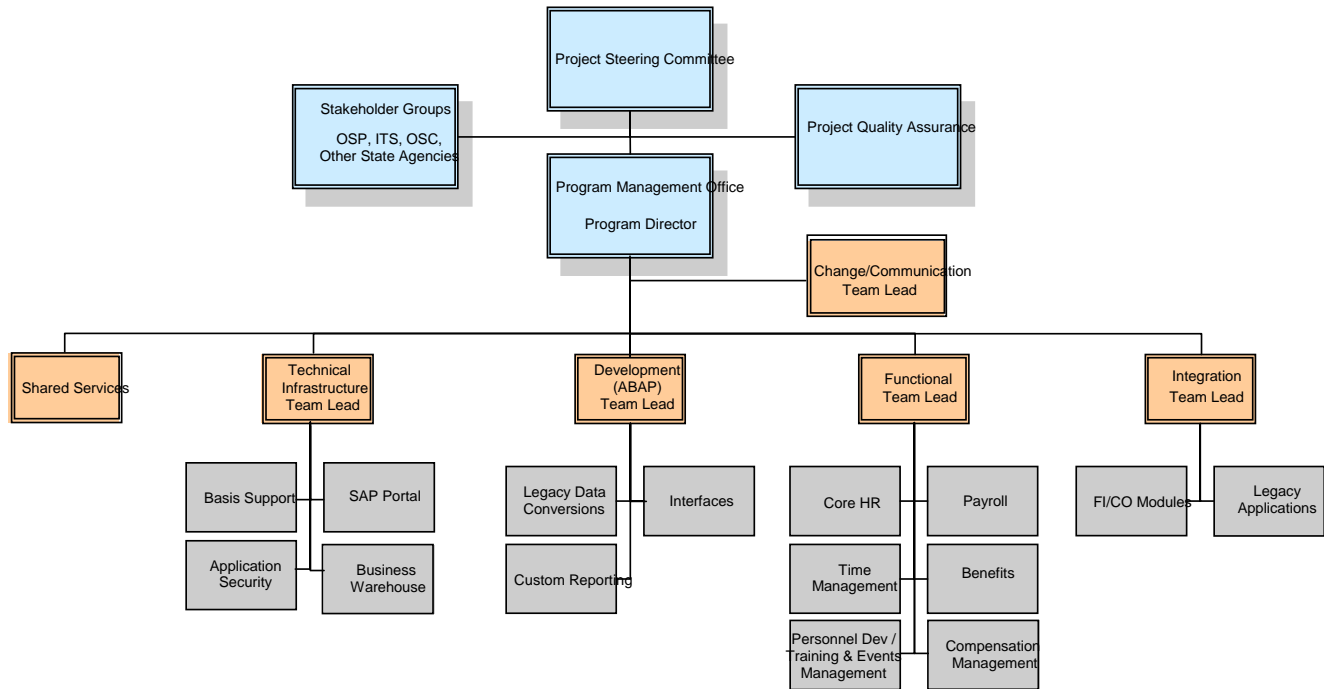
- 5 Top State Executives
- Leads Project-responsible and accountable for results/outcomes
- Allocates funds and approves all project financial decisions
- Sets policies and makes final decisions for escalated issues
- Meets monthly.

Project Management Office:

- Performs administrative tasks for the project
- Provides administrative coordination and integration tasks across the project(s)
- Establishes standards, procedures, tools, and reporting for projects
- Compiles status reports for PMO Leadership and Steering Committee
- Coordinate and monitor the project management plan activities
- Track issues and resolutions.

8. PROJECT ORGANIZATION

The following chart depicts the Project Beacon's Organizational Structure:



The Organizational Structure defines the various team/groups associated with the project. The following is a brief description of the area of responsibility for each team/group:

Role	Responsibility
Steering Committee	<ul style="list-style-type: none"> • Provide Executive Sponsorship for the Program • Facilitate Implementation sponsorship with the agencies and universities • Provide decisions and support issue resolution as necessary • Ensure compliance to budget and schedule • Guidance in statewide rollout • Responsible for overall Project service delivery

Role	Responsibility
Program Management Office (PMO)	<ul style="list-style-type: none"> • Management of Project Teams • Provide decisions and support issue resolution as necessary • Ensure compliance to budget and schedule • Manage scope • Ensure cross-project coordination • Attend Steering Committee and management meetings
Functional Team	<ul style="list-style-type: none"> • Define current and to-be business processes • Coordinate with SAP for software issues (e.g. OSS note) and Solution Reviews • Monitor issues and coordinate in the resolution of issues and the implementation and enforcement of problem escalation procedures • Provide functional expertise on specific SAP sub-modules and provide assistance and direction on SAP Configuration • Create and update the Blueprints • Configure SAP • Assist Deployment Team members with authorization definition: security roles and structural authorizations • Create and maintain Test Scripts • Track and correct testing issues/errors • Identify user security roles • Perform testing • Create the functional specifications as needed • Perform cut-over activities at go-live • Provide post go-live support
Change Management/Communications Team:	<ul style="list-style-type: none"> • Develop and implement Communication Plan • Develop Organizational design • Conduct organizational change risk and readiness assessment • Develop workforce transition strategy • Develop and implement knowledge transfer plan • Develop Training plan • Identify Stakeholders and conduct Stakeholder Analysis
Integration Team	<ul style="list-style-type: none"> • Identify FI/CO requirements in support of project scope • Configure system as needed • Provide guidance, oversight on integration of various modules

Role	Responsibility
Technology Team	<ul style="list-style-type: none"> • Establish infrastructure and maintain clients during project life cycle • Responsible for providing programming activities related to system enhancements, including data conversions, forms, reports, customizations, and Workflow. • Conduct technical testing; execution and installation of Development Objects that have been identified; • Create and maintain technical development, security and other related documentation • Work with functional team on security • Define requirements for BW and implement • Establish portal
Shared Service Center	<ul style="list-style-type: none"> • Develop approach for Shared Service Center
Subject Matter Experts (SME) Stakeholders and/or designees	<ul style="list-style-type: none"> • Participate in workshops (such Blueprint) • Provide the business requirements to teams • Provide the legacy data and codes for various data elements identified • Assist in identifying new roles • Sign off on the data reconciliation during Mock Conversions • Provide necessary IS information (e.g. desktop readiness, printer info) • Assist with User Acceptance Testing